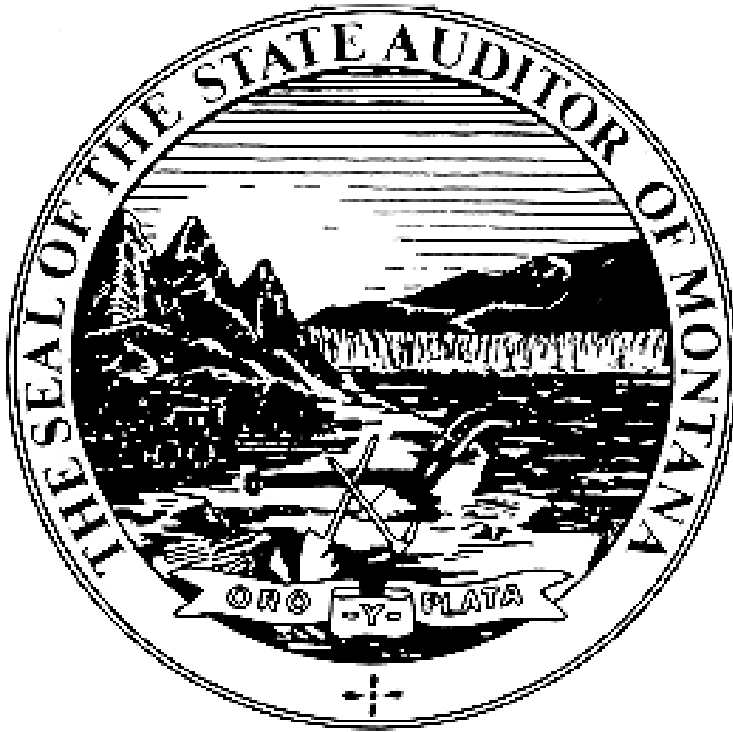


MONTANA

CAPTIVE INSURANCE COMPANY



ANNUAL REPORT

(Name of Captive Insurer)

(For Period Ending)

6.6.6810 ARM – Examined by CPA in accordance with GAAP.
Not to be used for Captive Risk Retention Groups.

RD/nh Captive Annual Report 04

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License No. _____

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Organized under the laws of the state of _____
Annual Meeting Date _____
Incorporated (Date) _____
Commenced Business (Date) _____
Montana Office _____
Home Office (City) _____
Main Administrative Office (City) _____
Contact Person, Phone Number & Address _____

OFFICERS**

President _____	Vice President _____
Secretary _____	Vice President _____
Treasurer _____	Vice President _____

DIRECTORS**

State of _____
County of _____

President
Secretary
Treasurer

of the _____, being duly sworn, each for himself
deposes and says that they are the above described officers of the said insurer, and that on the last day of the
period presented, all of the herein described assets were the absolute property of the said insurer, free and clear
from any liens or claims thereon, except as stated, and that this annual statement, together with related exhibits,
schedules, and explanations therein contained, annexed or referred to are a full and true statement of all the
assets and liabilities and of the condition and affairs of the said insurer as of the date presented, and of its income
and deductions therefrom for the year ended on that date, according to their information, knowledge and belief,
respectively.

President Secretary

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public for the state of _____
Residing at _____
My Commission Expires _____

* Or corresponding person having charge of the accounts of the insurer.

** Show full name and indicate by number sign (#) those officers and directors who did not occupy the indicated position in the previous annual statement. If new, complete Biographical Affidavit.

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

BALANCE SHEET		
ASSETS		
Year Ending:		
	Current	Prior
*1. Bonds		
*2. Stocks		
*3. Cash		
*4. Savings and Certificate of Deposit		
*5. Other Invested Assets:		
a) _____		
b) _____		
6. Investment Income Due and Accrued		
7. Accounts and Premiums Receivable		
8. Investments In And Advances to Affiliates		
9. Reinsurance Recoverable on Unpaid Losses & LAE		
10. Reinsurance Recoverable on Paid Losses & LAE		
11. Funds Held By Ceding Reinsurers		
12. Prepaid Reinsurance Premiums		
13. Deposits With Reinsurer		
14. Letters of Credit		
15. Other Assets:		
a) _____		
b) _____		
c) _____		
16. Total Assets		

* Please provide supporting documentation for these items. Bank statements, investment account statements, or other summary schedules.

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

LIABILITIES, CAPITAL AND SURPLUS		
Year Ending:		
	Current	Prior
17. Losses		
18. Loss Adjustment Expenses		
19. Reinsurance Payable on Paid Losses & LAE		
20. Deposits Held Pursuant to Insurance Contracts		
21. Commissions, Expenses and Fees		
22. Taxes Payable		
23. Unearned Premium		
24. Reinsurance Balance Payable		
25. Loans and Notes Payable		
26. Amounts Due to Affiliates		
27. Funds Held Under Reinsurance Contracts		
28. Dividends Payable		
29. Other <div style="padding-left: 20px;">Liabilities:</div> <div style="padding-left: 40px;">b) _____</div> <div style="padding-left: 40px;">c) _____</div>		
30. Total Liabilities		
31. Capital and <div style="padding-left: 20px;">Surplus:</div> <div style="padding-left: 40px;">a) Paid in Capital (Par Value) _____</div> <div style="padding-left: 40px;">b) Contributed Surplus _____</div> <div style="padding-left: 40px;">c) Unrealized Gain (Loss) on Investments _____</div> <div style="padding-left: 40px;">d) _____</div>		
32. Surplus (Accumulated Earnings)		
33. Total Capital and Surplus		
34. Total		

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

STATEMENT OF INCOME		
Year Ending:		
<u>Underwriting Income</u>	Current	Prior
1. Net Premiums Written (page 8, column 6)		
2. Net (Increase) Decrease in Unearned Premiums		
3. Net Premiums Earned (lines 1 and 2)		
4. Other Insurance Income		
5. Total Income (lines 3 and 4)		
<u>Underwriting Expenses</u>		
6. Net Losses Incurred		
7. Net Loss Adjustment Expenses Incurred		
8. Commissions and Brokerage		
9. Underwriting Expenses		
10.		
11. Total Underwriting Expenses (lines 6 through 10)		
12. Underwriting Profit (Loss) (line 5 minus line 11)		
13. Investment Income – Net of Expenses		
14. Other Income		
15. Other Expenses		
16. Income Before Dividends and Taxes (lines 13 + 14 -15)		
17. Dividends to Policyholders		
18. Taxes		
19. Net Income (line 16 minus lines 17 and 18)		

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

CAPITAL AND SURPLUS ACCOUNTS		
Year Ending:		
		Current
		Prior
20. Capital & Surplus, end of previous year		
21. Net Income		
22. Net Unrealized Capital Gains or Losses (including equity income (loss) on subsidiaries)		
23. Capital		
Changes:	a) Paid in _____	
	b) Transferred from Surplus (Stock Dividends)	
	c) Transferred to Surplus _____	
24. Surplus		
Adjustments:	a) Paid in _____	
	b) Transferred to Capital (Stock Dividends)	
	c) Transferred from Surplus _____	
25. Dividends to Stockholders		
26. Extraordinary Taxes for prior years		
27. Other:	a)	
	b)	
	c)	
	d)	
28. Capital & Surplus, end of current year (page 3, line 33)		

QUESTIONNAIRE

1. Name of the company, corporation or association who directly or indirectly owned or controlled the captive insurance company?
-

CAPITAL STOCK OF CAPTIVE

Class	Number Shares Authorized	Number Shares Authorized	Par Value
Preferred			
Common			

2. Name and address of approved manager (including firm name) _____

3. Name and address of approved actuary (including firm name) _____

4. Name and address of approved independent CPA (including firm name) _____

5. Name and address of resident registered agent _____

6. Have all transactions of the captive of which notice was received at the home office on or before the close of business on the date shown been truthfully and accurately entered on its books?

7. Largest "net" amount insured in any one risk:
Per occurrence _____ Aggregate _____
8. Has the "net" aggregate increased over last years? _____
If yes, by what amount? _____
9. If captive is an industrial insured, do all members meet the industrial insured requirements as stated in Section 33-28-101, MCA? _____
10. Has any change been made during the year of this statement in the Articles of Incorporation, by-laws or articles of association? _____
If yes, provide copies if not already provided.
11. Have all assets been valued in accordance with GAAP or SAP as applicable? _____
12. Has the company adopted a yearly conflict of interest procedure for officers, directors, and key employees as required by ARM 6.6.6808. _____
If no, please explain. _____

13. Has the company changed its plan of operation during the year? _____
14. Have losses been discounted? _____
If yes, what interest rate was used? _____
What was the total amount of the discount? _____

Questionnaire (continued)

15. Were any of the assets of the company pledged as collateral at any time during the year? (Ignore assets pledged as security for ceding insurers) _____
If yes, attach a description of the transactions as a supplement to this filing.
16. Is the company writing or assuming unrelated business? _____
17. If answer to 16 above is yes, what is the percentage to the total business written and assumed? _____
18. What other services does the approved independent CPA firm provide to the Captive or Parent Corporation. _____
19. Does the approved actuary, who certifies as to the adequacy of loss reserves at year end also compute the monthly or quarterly reserves of the Captive? _____
20. Has the company changed its auditors or actuaries from the previous years? _____
If yes, why? _____
21. Does the company issue assessable policies? _____

List all the company's service providers and their function(s)? (Supply additional page if needed)

Provider _____
Function(s) _____

Provider _____
Function(s) _____

Provider _____
Function(s) _____

Provider _____
Function(s) _____

Provider _____
Function(s) _____

22. Has the company entered into any financial insurance or financial reinsurance contracts? _____

23. If yes, describe the arrangement including amounts received, paid, imputed interest and companies involved. _____

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

<u>PREMIUM SCHEDULE</u>	(1)	(2)	(3)
Line of Business	<u>Direct Business</u>	<u>Reinsurance Assumed</u>	Premiums Acct'd for by Deposit method
	Related Unrelated	Related Unrelated	
1. Automobile Liability			
2. General & Product Liability			
3. Professional Liability			
4. Other Liability			
5. Excess Workers' Compensation			
6. All Other Lines (Describe below the other lines of business included in line 6)			
Totals			

<u>PREMIUM SCHEDULE</u>	(4)	(5)	(6)
Line of Business	Reinsurance Ceded	Reinsurance acct'd for by deposit method	1+2+3+4+5 Net Premiums Written
1. Automobile Liability			
2. General & Product Liability			
3. Professional Liability			
4. Other Liability			
5. Excess Workers' Compensation			
6. All Other Lines (Describe below the other lines of business included in line 6)			
Totals			

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

REINSURANCE					
CEDED AS OF:					
Name, State and NAIC# of Reinsurer*	Reinsurance Recoverable on Paid & Unpaid Losses & LAE	Premium Ceded	Prepaid Reinsurance	*Form of Security	Amount of Security
Affiliates:					
Non-Affiliates:					
Total					

(Pg. 2,L.9+10)
(Pg. 8,C.4-5)
(Pg. 2,L12)

*Authorized companies or unauthorized companies with the Commissioner’s prior approval.

- * Form of Security
- Funds Withheld Trust (a)
- Letter of Credit (b)
- Trust (c)

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____**

REINSURANCE			
ASSUMED AS OF:			
Name, State and NAIC # of Reinsured	Reinsurance Payable on Paid & Unpaid Losses & LAE	Premium Assumed	Unearned Premiums
Affiliates:			
Non-Affiliates:			
Total			

(Pg.8,Col.2)

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

UNPAID LOSSES & LAE

<u>UNPAID LOSSES:</u>	(1) Case Basis Direct and Assumed	(2) Case Basis Reinsurance Recoverable	(3) IBNR Direct and Assumed	(4) IBNR Reinsurance Recoverable	(5) Net Losses Unpaid (1-2+3-4)
Line of Business					
1. Automobile Liability					
2. General & Product Liability					
3. Professional Liability					
4. Other Liability					
5. Excess Workers' Compensation					
6. All Other Lines					
Totals					

(Columns 1+3=Pg.3,L.17)

(Pg. 12, Col. 5)

<u>UNPAID LAE:</u>	(6) Case Basis Direct and Assumed	(7) Case Basis Reinsurance Recoverable	(8) IBNR Direct and Assumed	(9) IBNR Reinsurance Recoverable	(10) Net LAE Unpaid (6-7+8-9)	% of Column 10 to 5
Line of Business						
1. Automobile Liability						
2. General & Product Liability						
3. Professional Liability						
4. Other Liability						
5. Excess Workers' Compensation						
6. All Other Lines						
Totals						

(Columns 6+8=Pg.3,L.18)

(Columns 2+4+7+9=Pg.2,L.9)

(Page 12, Col.13)

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____**

LOSSES & LAE PAID AND INCURRED

Current Year

LOSSES: Lines of Business	Losses Paid Less Salvage				(5) Net Losses Unpaid Current Year	(6) Net Losses Unpaid Prior Year	(7) Net Losses Incurred (4+5-6)	(8) Ratio of Losses Incurred to Premiums Earned
	(1) Direct Business	(2) Reinsurance Assumed	(3) Reinsurance Recovered	(4) Net Payments 1+2-3				
1. Automobile Liability								
2. General & Product Liability								
3. Professional Liability								
4. Other Liability								
5. Excess Workers' Compensation								
6. All Other Lines								
Totals								

(Page 11, Col. 5)

(Page 4, Line 6)

LAE: Lines of Business	LAE Paid Less Salvage				(13) Net LAE Unpaid Current Year	(14) Net LAE Unpaid Prior Year	(15) Net LAE Incurred (12+13-14)	(16) Ratio of LAE Incurred to Premiums Earned
	(9) Direct Business	(10) Reinsurance Assumed	(11) Reinsurance Recovered	(12) Net Payments 9+10-11				
1. Automobile Liability								
2. General & Product Liability								
3. Professional Liability								
4. Other Liability								
5. Excess Workers' Compensation								
6. All Other Lines								
Totals								

(Page 11, Col.10)

(Page 4, Line 7)

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

SUMMARY

ALL LINES OF BUSINESS

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND EXPENSES REPORTED AT END OF YEAR										(6)	(7)	(8)
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010	Difference Between First & Current Year	Net Premiums Earned	% Current Year Losses Incurred to Prem. Earned
2001 & prior													
2002													
2003													
2004													
2005													
2006													
2007													
2008													
2009													
2010													

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

AUTOMOBILE LIABILITY NET LOSSES & LAE

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010 (Current Year)
2001 & prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

AUTOMOBILE LIABILITY LOSS DEVELOPMENT

Year In Which Losses Were Incurred	+NET INCURRED LOSSES AND LOSS EXPENSE REPORTED AT END OF YEAR										Net Premiums Earned	% Current Year Losses Incurred to Premium Earned*
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001 & Prior												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

+Net of reinsurance recoverable

*Premiums earned to most current year incurred losses reported

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

GENERAL & PRODUCT LIABILITY NET LOSSES & LAE

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

GENERAL & PRODUCT LIABILITY LOSS DEVELOPMENT

Year In Which Losses Were Incurred	+ NET INCURRED LOSSES AND LOSS EXPENSE REPORTED AT END OF YEAR										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned*
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001& prior												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

+Net of reinsurance recoverable

*Premiums earned to most current year incurred losses reported

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

PROFESSIONAL LIABILITY NET LOSSES & LAE

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

PROFESSIONAL LIABILITY LOSS DEVELOPMENT

Year In Which Losses Were Incurred	+ NET INCURRED LOSSES AND LOSS EXPENSE REPORTED AT END OF YEAR										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned*
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001 & Prior												

+Net of reinsurance recoverable

*Premiums earned to most current year incurred losses reported

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

OTHER LIABILITY NET LOSSES & LAE

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

OTHER LIABILITY LOSS DEVELOPMENT

Year In Which Losses Were Incurred	+ NET INCURRED LOSSES AND LOSS EXPENSE REPORTED AT END OF YEAR										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned*
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001 & Prior												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

+Net of reinsurance recoverable

*Premiums earned to most current year incurred losses reported

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

EXCESS WORKERS' COMPENSATION NET LOSSES & LAE

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

EXCESS WORKERS' COMPENSATION NET LOSSES & LAE

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

EXCESS WORKERS' COMPENSATION LOSS DEVELOPMENT

Year In Which Losses Were Incurred	+ NET INCURRED LOSSES AND LOSS EXPENSE REPORTED AT END OF YEAR										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned*
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001 & Prior												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

+Net of reinsurance recoverable

*Premiums earned to most current year incurred losses reported

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

ALL OTHER LINES NET LOSSES & LAE

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001 & Prior										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT
FOR THE YEAR ENDING _____
COMPANY NAME _____

ALL OTHER LINES LOSS DEVELOPMENT

Year In Which Losses Were Incurred	+ NET INCURRED LOSSES AND LOSS EXPENSE REPORTED AT END OF YEAR										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned*
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001 & Prior												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

+Net of reinsurance recoverable

*Premiums earned to most current year incurred losses reported

CHECK LIST

DIFF

(I=line, C=column)

1	(Pg2,L16 Assets) = (Pg3,L34 Liab., Capital & Surplus Curr. Yr).....
2	(Pg3,L17, Losses) = (Pg11,C1+C3 O/S Losses & IBNR).....
3	(Pg3,L18, LAE) = (Pg11,C6+C8 O/S Losses & IBNR)
4	(Pg2,L9, Reins, Recoverable) = (Pg11,C2+C4+C7+C9 Reins, Rec)
5	(Pg2,L9+L10, Reins, Recoverable) = (Pg9 Reins, Recoverable)
6	(Pg2,L12 Prepaid Reinsurance) = (Pg9 Prepaid Reinsurance)
7	(Pg3,L31a Paid in Capital) = (Pg6 Outstanding Shares X Par)
8	(Pg3,L33 Capital & Surplus) = (Pg5,L28 Capital & Surp. Curr)
9	(Pg3,L33 Capital & Surplus) = (Pg5,L28 Capital & Surp. Prior)
10	[(Pg3,L23,C1) U/P – (Pg3,L23,C2)U/P] - [(Pg2,L12,C1) PRP – (Pg2,L12,C2)] + (Pg4,L2,C1) Net Change in U/P).....
11	(Pg4,L1 Net Premiums Written) = (Pg8,C6 Net Premiums Written)
12	(Pg4,L6 Losses Incurred) = (Pg12, C7 Losses Incurred)
13	(Pg4,L7 LAE Incurred) = (Pg12,C15 LAE Incurred).....
14	(Pg4,L19 Net Income) = (Pg5,L21 Net Income Current Yr).....
15	(Pg4,L19 Net Income) = (Pg5,L21 Net Income Prior Yr).....
16	(Pg5,L20 Capital & Surplus Curr) = (Pg5,L28 Prior Yr).....
17	(Pg8,C4 Premium Ceded – Pg8,C5 Deposits) = (Pg9 Premium Ceded).....
18	(Pg8,C2 Premiums Assumed) = (Pg10 Premiums Assumed).....
19	(Pg11,L1,C5+C10 Auto Liab) = (Pg14 Outstanding – Pg14 IBNR).....
20	(Pg11,L2,C5+C10 Product) = (Pg16 Outstanding – Pg16 IBNR).....
21	(Pg11,L3,C5+C10 Other Prof.) = (Pg18 Outstanding – Pg18 IBNR).....
22	(Pg11,L4,C5+C10 Other Liab.) = (Pg20 Outstanding – Pg20 IBNR).....
23	(Pg11,L5,C5+C10 Excess Workers) = (Pg22 Outstanding – Pg22 IBNR).....
24	(Pg11,L6,C5+C10 All Other) = (Pg24 Outstanding – Pg24 IBNR).....
25	(Pg11,L1,C5 Auto Liab.) = (Pg12,L1,C5 Net Losses Unpaid).....
26	(Pg11,L2,C5 Product) = (Pg12,L2,C5 Net Losses Unpaid).....
27	(Pg11,L3,C5 Other Prof.) = (Pg12,L3,C5 Net Losses Unpaid).....
28	(Pg11,L4,C5 Other Liab.) = (Pg12,L4,C5 Net Losses Unpaid).....
29	(Pg11,L5,C5 Excess Workers) = (Pg12,L5,C5 Net Losses Unpaid).....
30	(Pg11,L6,C5 All Other) = (Pg12,L6,C5 Net Losses Unpaid).....
31	(Pg11,L1,C10 Auto Liab.) = (Pg12,L1,C13 Net LAE Unpaid).....
32	(Pg11,L2,C10 Product) = (Pg12,L2,C13 Net LAE Unpaid).....
33	(Pg11,L3,C10 Other Prof.) = (Pg12,L3,C13 Net LAE Unpaid).....
34	(Pg11,L4,C10 Other Liab.) = (Pg12,L4,C13 Net LAE Unpaid).....
35	(Pg11,L5,C10 Excess Workers) = (Pg12,L5,C13 Net LAE Unpaid).....
36	(Pg11,L6,C10 All Other) = (Pg12,L6,C13 Net LAE Unpaid).....
37	(Pg13,C7 Premiums Earned) = (Pg4,L3) Premiums Earned Current).....
38	(Pg13,C7 Premiums Earned) = (Pg4,L3 Premiums Earned Prior).....
39	(Pg.13.L5,C5 Current) = (Pg4,L6+7,C1 Current).....
40	(Pg.13.L4,C4 Prior) = (Pg4,L6+7C1 Prior).....

[illegible]